ISC BRIEFING

13 JUNE 1958

SHEPTLOY IN THE WEAR BAST

- 1. The USSR's new Soviet Foreign Minister, Dmitri Shepilov, who will be the ranking foreign guest at Egypt's 18 June celebration of the British evacuation of Suez, will thereafter make state visits to Syria and Lebanon and an unofficial stop at Athens homeward-bound.
 - A. Shepilev's visit to Cairo will have a dramatic backdrep-the first public display of Soviet bloc military equipment in Egypt.
 - (1) Shepilov, who last summer paved the way for Egypt's purchase of Bloc ares, will again press the USSR's offer to finance the Aswan high dam.
 - acting director of political affairs told our ambassador on

 9 June that he expects Shepilev to make a dramatic pro-Arab

 secture while in the area and mentioned the likelihood that the

 USSR would shortly propose negotiation of a Palestine settlement

 on the basis of the 1947 WM resolutions.

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- (1) Lebanese premier Al-Yafi has publicly stated that during Shepilov's visit "important discussions" would take place dealing with "the Palestine question in particular, and the necessity of finding a satisfactory solution to it in favor of its Arab inhabitants."
- D. These Arab countries probably are doing some wishful thinking regarding the extent to which Moscow will support their demands in the Falestine dispute. The USSA's immediate aims—to keep the West from intervening in the Arab-Israeli dispute and to restrict negotiations to the UK--already have been accomplished. Accordingly, Shepilov probably will restrict himself to commelidating influence already gained with the Arabs, establishing closer coordination and pershps touting further "trade and aid".
- 2. Seviet ambassador Sergeyev has informed the Greek Government that Shepilov hoped to stop in Athens on his return from the Arab states, according to press reports, and the Greek government has stated it has no objection to an visit.
 - A. Shepilov will probably take this opportunity to offer economic aid to the Greeks, as well as to reiterate Soviet support on the Cyprus issue.
 - 2. We imposely commented in late May that Soviet courtship of Greece had recently gained considerable momentum, with approaches in all sectors-political, economical and cultural.
 - (1) The Rubausy believes recent internal economic developments have weakened Greek will to resist Seviet economic evertures.

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